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Meeting Minutes
ND Economic Development Foundation Meeting
Wednesday, November 12, 2014
ND Heritage Center, 612 East Boulevard Avenue, Bismarck, ND 58501

WELCOME AND CALL TO ORDER:

The meeting was called to order at 10:05 a.m. by Wally Goulet, Chairperson.

Members Present: Al Anderson, Bill Shalhoob, Chuck Hoge, Eric Trueblood, Gary Miller, Jim Traynor, Jon Simmers, Judi Paukert, Kari Ness, Dr. Kelly Rusch, Lyn James, Mike Seminary, Pamela Schmidt, Robert Hovland, Steve McNally, Tim Hennessy, Wally Goulet.

Members Present Via Phone: Bruce Smith.

Members Absent: Bruce Thom, Daniel Traynor, Mark Nisbet, Randy Hatzenbuhler.

Guests Present: Jill Schwab, Justin Dever, Sara Otte Coleman, Wayde Sick, Bonnie Malo, Chelle Timmreck, Michael Goulet.

WELCOME & INTRODUCTIONS:

Wally Goulet provided a welcome to members and guests and introductions were made around the room and on the phone.

APPROVAL OF AGENDA:

Wally Goulet asked for a motion to approve the November 12, 2014, agenda.

Motion: Pamela Schmidt moved to approve the November 12, 2014, agenda. Mike Seminary seconded the motion. Motion carried.

APPROVAL OF MINUTES:

Wally Goulet asked for a motion to approve the August 7, 2014, minutes.

Motion: Bill Shalhoob moved to approve the August 7, 2014, minutes. Eric Trueblood seconded the motion. Motion carried.

COMMITTEE REPORTS:

Finance Committee

Quarterly Financial Statements

Jim Traynor reported that the Profit & Loss Statement for July 1, 2014 – September 30, 2014, reflects a net income of \$51,785.54. The Balance Sheet as of September 30, 2014, is \$131,585.83. The Statement of Cash Flows from July 1, 2014 – September 30, 2014, is \$156,585.83. Outstanding pledges through September 30, 2015, are \$198,500.00. The Find the Good Life campaign is a \$1.2 million dollar campaign and we have had some success with the public/private partnership since the campaign's inception.

Wally Goulet asked for a motion to approve the financial statements as presented.

Motion: Jim Traynor moved to approve the financial statements as presented. Tim Hennessy seconded the motion. Motion carried.

Budget

Wally Goulet asked for a motion to approve the 2014-2015 Budget as presented. Bill Shalhoob recommends that the Foundation approve a two-year overall Commerce and Find the Good Life Budget covering the next Biennium (2015-2017) next year at the third quarter board meeting.

Motion: Steve McNally moved to approve the 2014-2015 Budget. Dr. Kelly Rusch seconded the motion. Motion approved.

October 2014 Client Relations Hunt

Jill Schwab reported that the client relations hunt occurring on October 17-19, 2014 with Senator Hoeven, Lt. Governor Drew Wrigley, Cardinal Glass, and Marvin Windows resulted in a cost of \$5,125.93. The initial cost estimate for the hunt was \$6,515.00.

The Foundation also approved a second hunt planned for November 2014; however, that hunt did not come together with all of the players, therefore, Paul Lucy would like to request that the Foundation carry those funds over into next year's budget so he is able to put down a deposit for a fall 2015 hunt. The guide service requires a 50% down payment in order to secure the dates he is looking to reserve in October 2015.

DEPARTMENT OF COMMERCE UPDATE:

Commissioner Report/Comments

Al Anderson is planning to have conversations with the Governor prior to December 3, 2014, (State of the State Address) regarding Commerce's Budget.

Commerce Budget

Al Anderson reported that Externships, Workforce, Entrepreneurships, Find the Good Life in North Dakota campaign, UAS activity, Research ND programs, Community Development/Infrastructure, Childcare Facility Grants, Homeless Shelter Grants, Energy Grants, and Tourism Infrastructure will be at the top of the list on the Commerce Budget for the 2015 Legislative Session.

ND Legendary Logo

The North Dakota Department of Commerce underwent a brand audit in 2014 and the consulting firm they hired believes that the Legendary brand is representative of the entire Department of Commerce. ND Tourism has used the Legendary brand for the past 12 years. A launch at the ND Department of Commerce was completed last week with a new brand book, fonts, and usage guidelines. Printed materials using the old Commerce logo was discontinued on October 1, 2014. One of the main changes is that North Dakota cannot be used without the word Legendary and the Foundation is currently using just the North Dakota portion. Sara Otte Coleman reviewed optional logos for the Foundation to consider, one using the updated North Dakota Legendary logo and four others offering a unique mark for the Foundation. The Foundation would like to use Legendary, but asked to see some additional Legendary logo options at the next meeting on February 19, 2015, to vote on when adopting this new logo.

Strategic Plan Benchmark Update

Justin Dever provided the following updated performance measures:

ND Economic Development Strategic Plan

Performance Measures

Updated on November 12, 2014



GOAL 1 Create, attract, and retain quality jobs and workforce in targeted industries and high-demand occupations.

- 1-1. Net Job Growth (2020 Target: 476,100; goal of 426,100 jobs was revised on 11.1.2013)
2010: 376,000 2013: 444,300 Increase: 68,300 jobs
2014 figures will be available in February 2015.
- 1-2. Average Annual Wage (2020 Target: \$50,000)
2010: \$38,127 2013: \$47,779 Increase: \$9,652 in ave. annual wage
2014 figures will be available in June 2015.
- 1-3. Per Capita Personal Income (2020 Target: \$60,000)
2010: \$43,232 2013: \$53,182 Increase: \$9,950 (119% of nat'l. ave.)
Initial estimates for 2014 will be available in April 2015.
- 1-4. Population (2020 Target: Population of 800,000; goal of 700,000 was revised on 12.6.12)
2010: 674,344 2013: 723,393 Increase: 49,049
Population estimates for July 1, 2014 will be available in December 2014.

GOAL 2 Strengthen North Dakota's business climate and image to increase national and global competitiveness.

- 2-1. Gross Domestic Product (2020 Target: \$50 billion)
2010: \$35.482 billion 2013: \$56.329 billion Increase: \$20.847 billion
Advanced estimates for 2014 will be available in June 2015.
- 2-2. Merchandise Export Value (2020 Target: \$6.5 billion; goal of \$4 billion was revised on 11.1.2013)
2010: \$2.54 billion 2013: \$3.71 billion Increase: \$1.17 billion
2014 figures will be available in February 2015.
- 2-3. Small Business & Entrepreneurship Council's U.S. Business Policy Index
(2020 Target: Ranked among the top 10 states; goal of top 15 was revised on 12.6.12)
2010: #18 2013: #12
The next release of the index is anticipated in December 2014.

GOAL 3 Accelerate innovation and entrepreneurship in targeted industries and emerging technologies.

- 3-1. Number of Private Sector Businesses (2020 Target: 32,000; goal 29,000 was revised 11.1.2013)
2010: 25,741 2013: 31,083 Increase: 5,342
2014 figures will be available in June 2015.
- 3-2. Number of business activities as a result of Innovate ND. (2020 Target: 200)
2010: 100 2012: 135 Increase: 35
- 3-3. Aggregate use of Seed Capital Tax Credits and Angel Fund Tax Credits.
(2020 Target: \$5 million)
2010: \$4,157,157 2013: \$8,076,100 Increase: \$3,918,943
2014 figures will be available in October 2015.

Reportable data:

Academic research and development expenditures – In 2010, North Dakota had an estimated \$204 million in academic R&D expenditures. In 2011, this increased to \$211 million.
Industry research and development expenditures – In 2010, North Dakota had an estimated \$236 million in industry R&D. In 2011, this increased to \$261 million.

GOAL 4 Enhance the state education and training system's ability to meet business and workforce needs of the future.

- 4-1. Number of students taking skilled trade and technical education programs.
(2020 Target: 33,600 students)
2009-10: 30,753 2012-13: 30,794 Increase: 41
- 4-2. Retention of post-secondary program completers. (2020 Target: 65 percent)
2010: 67.7 percent 2013: 56.0 percent Decrease: 11.7 percent

GOAL 5 Continue to enhance a unified front for North Dakota that supports community, economic and workforce development.

- 5-1. Number of local development and tourism stakeholders participating in Commerce-sponsored marketing, tourism, workforce, business development and community development activities.
(2020 Target: 3,100 - maintain high participation)
2011: 3,082
Next survey will be conducted in third quarter 2014.
- 5-2. Stakeholder perceptions of a unified front for economic development in the state.
(2020 Target: 85 percent)
2011: 83.6 percent
Next survey will be conducted in third quarter 2014.

GOAL 6 Enhance North Dakota's image.

- 6-1. Ratio of positive to negative tone in earned media placements.
(2020 Target: Ratio of 13 positive earned media stories for every 1 negative)
2010: 18:1 2011: 11:1
- 6-2. Number of visits as a result of paid advertising. (2020 Target: 2.4 million trips)
2010: 1.0 million visits 2012: 1.4 million visits
- 6-3. Expenditures by out-of-state visitors. (2020 Target: \$5.4 billion)
2010: \$4.6 billion 2011: \$4.8 billion Increase: \$.2 billion
- 6-4. Number of workforce relocators as a result of image enhancement efforts.
(2020 Target: 1,000 workforce relocators)
2010: 346 households 2014: 686 households Increase: 340 households
- 6-5. Tourism advertising impact on image. (2020 Target: 50 percent of respondents who say they strongly agree that "North Dakota is a place I would really enjoy visiting.")
2010: 32 percent 2012: 50 percent Increase: 18 percent
- 6-6. Number of active social media influencers who contribute to depicting a fun, friendly North Dakota.
(2020 Target: 1,000 social media influencers)
2010: 42 2012: 170 Increase: 128 influencers
- 6-7. International advertising equivalency for positive North Dakota stories.
(2020 Target: \$5 million in international advertising equivalency since 2010)
2011: \$1.23 million

Motion: Bill Shalhoob moved to have Commerce staff update Goals 2-1, 3-1, 3-3, 4-1, 4-2, 6-1, and 6-7. Mike Seminary seconded the motion. Motion carried.

The Executive Committee and the Find the Good Life Subcommittee will hold meetings to evaluate and revise the performance measure numbers in December or January prior to the Legislative Session.

Legislative Initiatives

Justin Dever provided information about legislative initiatives being pursued by other related entities. He stated that the Economic Development Association of North Dakota (EDND)'s draft legislative agenda is focused on seven areas: Workforce Availability and Development, Business Development and Entrepreneurship, Business Financing and Incentives, Infrastructure Development, Community Development, Pro-Business Climate, and Technology Commercialization. Many of their recommendations align with the North Dakota Economic Development Strategic Plan. EDND will finalize their legislative agenda when they meet on November 20, 2014.

The EmPower North Dakota Commission recommends legislation related to the energy industry, which is one of North Dakota's five targeted industries. This Commission is recommending six bill drafts dealing with: the creation of an Oil and Gas Development Strategic Planning Authority, an Oil & Gas Tax Trigger Mechanism, Oil Gathering Pipelines Sales Tax Exemption, Value-Added Energy Facility Sales Tax Exemption, Coal Beneficiation, and Wind Energy Incentives, and New Coal Mine Sales Tax Exemption.

The Dakota Fiber Initiative was formed to encourage the enhancement of high-speed internet throughout the state. They are pursuing legislation that would: include broadband infrastructure in public financing options, make permanent the telecommunications sales and use tax exemption, and create an income tax credit for broadband infrastructure and/or services.

EmPower ND is focusing on six energy bill drafts that will be presented to Legislative Management on November 13, 2014, and will likely be introduced at the 2015 Legislative Session.

OLD BUSINESS:

Meeting Date/Location for Meeting

The next Foundation meeting will be held in Bismarck on February 19, 2015, at Great River Energy. A Legislative Reception/Social will occur following the meeting at the Kelly Inn at 5:30 p.m. for all Foundation members, EDND members, YP Network members, and Legislators.

The second quarter meeting would be held in Watford City, ND in May 2015, Devils Lake in September 2015 at Precision Ag, and Wahpeton (NDSCS) in November 2015.

Election of 2014-2015 Officers/Executive Committee/Subcommittees

2014-2015 Officers:

Chair: Wally Goulet
Vice Chair: Jim Traynor
Secretary: Robert Hovland
Treasurer: Bill Shalhoob

Executive Committee: (no less than 5, no more than 7 members allowed)

Bill Shalhoob*
Steve McNally
Kari Ness
Eric Trueblood
Jim Traynor*
Robert Hovland*
Wally Goulet*

Sub Committees:

Finance:

Bill Shalhoob (Chair)
Eric Trueblood
Kari Ness
Robert Hovland

Fundraising:

Judith Paukert (Chair)
Chuck Hoge
Pamela Schmidt
Randy Hatzenbuehler
Steve McNally

Policy:

Bruce Smith (Chair)
Eric Trueblood
Jon Simmers
Lyn James
Wally Goulet

Nominating:

Wally Goulet (Chair)
Bill Shalhoob
Pamela Schmidt

Centers of Excellence Commission:

Jim Traynor
Mark Nisbet
Tim Hennessy
First Alternate(Bill Shalhoob)

Find the Good Life Campaign:

Wally Goulet (Chair)
Steve McNally
Randy Hatzenbuehler
Jim Traynor
Jon Simmers
Lyn James

Technology-Based Entrepreneurship Screening Committee:

Wally Goulet (Chair)

Daniel Traynor

Kari Ness

Jim Traynor

Pamela Schmidt

Dr. Kelly Rusch

Mike Seminary

Motion: Pamela Schmidt moved to approve the 2014-2015 Officers and Committees with the additions of Dr. Kelly Rusch and Mike Seminary to the Technology-Based Entrepreneurship Screening Committee. Lyn James seconded the motion. Motion approved.

Find the Good Life Campaign/Finances Update

Sara Otte Coleman gave an update on the Find the Good Life campaign. Commerce staff continues to provide speaking engagements statewide, developed a quarterly newsletter, and have developed a Recruiter's Network. There are two billboards (one on I-29 North between Fargo and Grand Forks and one on I-94 near Casselton).

Midcontinent Communications will provide cable TV ads that will run beginning today through Thanksgiving (welcome your friends and family home for Thanksgiving and one asking North Dakotans to welcome new residents).

Research is the next step in the campaign to identify why people have moved here and what influenced their decision. The goal is to get the research survey distributed by December 1, 2014, and would be followed up by a focus group. A social media campaign (Twitter and Facebook) will be rolled out in the next few months.

The statewide Recruiter's Network would consist of HR professionals/recruiters with the intent to help employers work together to share best practices and attract candidates that want to make North Dakota their home. A minimum of \$1,000 investment in the Find the Good Life in North Dakota campaign is required to be a part of the Recruiter Network.

In September 2014, the Foundation held a focus group to learn from HR professionals. Over 20 attendees from across the state and various industries met to discuss forming a Recruiter Network and three objectives surfaced:

1. Share Best Practices
2. Attract people to ND and

3. Be a Sounding Board for retention and hiring solutions

The next focus group will be held in December 2014. Commerce staff is working on getting memberships within the private sector.

Metrics indicate that the Find the Good Life campaign had some increases in October 2014. The main increases were from organic search (Jobs in ND) which is believed to be a result of media exposure.

Odney Advertising is putting out a pitch to NBC's "Meet the Press" to tie into a series they are doing on workforce. They are also developing a newsletter which will be sent to all the transitioning military overseas through the Department of Defense.

NEW BUSINESS:

Division of Community Services

Bonnie Malo explained that the majority of programs within the Division of Community Services Division are federally funded. The Renaissance Zone program currently has 56 cities statewide with over 900 projects. They administer the Manufactured Home Installation Program, which monitors homes when put on the site to make sure they meet all installation standards. Other programs include Community Development Block Grants, Community Services Block Grants, the HOME Program, the Shelter Plus Care Program, the Child Care Grant Program, the Office of Renewable Energy and Energy Efficiency, and the Energy Conservation Grant Program.

Board Member Comments:

Lyn James: Meetings are enjoyable, enlightening, and she is gratified to be a part of this group. Bowman did a ribbon cutting ceremony in June 2014 on a 26-unit apartment building. They broke ground on their new hospital in September 2014 along with a new hotel and convention center. The new airport is well under construction. The Bowman County Development Corporation is studying the development of a new industrial park at the old airport site (partnering with the county) and is launching a workforce campaign. Bowman Public Schools recently added special needs and elementary classrooms.

Eric Trueblood: Intrigued by a custom-tailored approach to hiring out-of-state employees from layoffs around the country in our targeted industries.

Jim Traynor: Energized by TBEG and the buzz happening in Fargo. Intelligent InSites has hired 10 employees from Microsoft after some recent layoffs.

Judi Paukert: Found the topics of oil discussion, the Find the Good Life campaign and Legislative Priorities of interest. Thanks to Al and his team for their work on the Foundation.

Steve McNally: Pursue the idea of recruiting out-of-state employment transitions.

Jon Simmers: Likes the North Dakota Legendary refresh and broadening the scope of the brand. Has been using the Find the Good Life campaign in his recruitment efforts at the Bismarck Aero Center.

Pamela Schmidt: Loves the open discussion and free-flowing ideas of this group.

Tim Hennessy: Likes the amount of dialogue at the meetings.

Mike Seminary: Appreciates the diversity of this group. Pleasure to be here.

Chuck Hoge: Would like to see a member from the northwestern part of the state on the Foundation board. Looking to Foundation members to provide him with qualified investors for the angel fund tax credit. Concerned that the pendulum may swing negatively if oil prices continue to drop, so we need to get ahead of the curve.

Dr. Kelly Rusch: Appreciates the honor of being a part of the group. Connecting diversification to future needs and skill sets from an educational standpoint. How do we build the technologies pipeline?

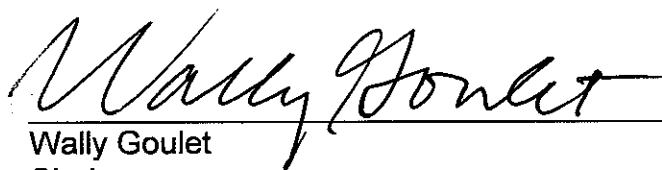
Kari Ness: Foundation members have served for many years and are very committed to the board. Found the Legendary branding, oil activity and discussion on the Find the Good Life campaign very interesting.

Wally Goulet: Invest in building the workforce and involve the Governor and Lt. Governor in the Find the Good Life campaign future funding during the next biennium.

ADJOURNMENT:

Being no further business, Wally Goulet adjourned the meeting.

The meeting adjourned at 3:35 p.m.



Wally Goulet
Chairperson

2/19/15
Date

Jill Schwab
Recorder

Jill Schwab

11/12/14
Date

FUTURE ACTION ITEMS:

- Jill Schwab will coordinate the first quarter board meeting and joint Legislative Reception in collaboration with EDND and the ND Young Professional's Network on February 19, 2015, in Bismarck.
- Commerce staff to develop a two-year Commerce/FGL budget for presentation at next year's third quarter board meeting.
- Sara Otte Coleman will develop some additional Legendary logo options at the next meeting in February 2015 for Foundation members to vote on when adopting this new logo.
- Justin Dever will update the Performance Measures data prior to January 12, 2015, after the Executive Committee and the Find the Good Life Subcommittee hold meetings to evaluate. Jill Schwab will schedule those two meetings.